

the ecological  
sequestration trust

Report and Accounts

Year ended 31 March 2016

[www.ecosequestrust.org](http://www.ecosequestrust.org)

Company number: 07611969

Registered Charity: 1143397

the ecological sequestration trust  
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the ecological sequestration trust  
**Company information**  
for the year ended 31 March 2016

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**Executive Team**  
Executive Chair                      Professor Peter Head CBE FREng FRSA

**Trustees**  
John Elkington  
Professor Nilay Shah

**Company Secretary**              Alastair Kennedy FCA MEng

**The ecological sequestration trust is a company limited by guarantee registered in England and Wales**

**Company number:**                      07611969

**Registered Charity number:**        1143397

**Registered Office**                      10 Queen Street Place  
London  
EC4R 1BE

**Accountants**                              Price Bailey LLP  
Chartered Accountants  
Dashwood House  
69 Old Broad Street  
London  
EC2M 1QS

**Bankers**                                      HSBC  
70 Pall Mall  
London  
SW1Y 5EZ

**Solicitors**                                    Bates, Wells and Braithwaite  
10 Queen Street Place  
London  
EC4R 1BE

**the ecological sequestration trust**  
**Independent examiner's report**  
for the year ended 31 March 2016

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**Independent examiner's report to the trustees of The Ecological Sequestration Trust**  
I report on the financial statements of the company for the year ended 31 March 2016 which are set out on pages 11 to 20.

**Respective responsibilities of trustees and examiner**

The trustees, who are also the directors of the company for the purposes of company law, are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the company is not subject to audit under charity or company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

**Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

**Independent examiner's statement**

In connection with my examination, no matter, except for that described below, has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

the ecological sequestration trust  
**Independent examiner's report**  
for the year ended 31 March 2016

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**Emphasis of matter**

In reaching our conclusion on the financial statements, we have considered the adequacy of the disclosures in note 1.2 to the financial statements concerning the charitable company's ability to continue as a going concern. The Trustees have confirmed that continual support will be available from Professor and Mrs Head and expect that current and futures sources of funding will be adequate for the company's needs.

*Helena Wilkinson*

Helena Wilkinson FCA  
Price Bailey LLP, 69 Old Broad Street, London, EC2M 1QS

Date: *21 December 2016*

the ecological sequestration trust  
**Trustees report (incorporating a Directors report)**  
for the year ended 31 March 2016

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**Objectives and achievements 2015-2016**

**Our objectives**

To attract the talent and expertise to establish and run the Trust, alongside a wider multidisciplinary advisory network.

To identify and attract major sponsorship to fund the work of the Trust and implement our strategic aims.

To develop an open source agent-based integrated urban-rural design model (resilience.io) to represent actual and proposed economics and resource flows and transformations for regional decision making support to achieve the Global Goals.

**Our achievements**

We have continued to attract high profile expertise to act as Trustees and Advisory Board members.

We have established a regional demonstrator in Africa of the resilience.io computer model to address considerable resilience challenges in Accra, Ghana.

We co-developed the Roadmap2030 practical approach to financing and implementing Global Goals in Human Settlements and City Regions with world leading experts and disseminated our work widely to potential funders and stakeholders.

We advanced the development of resilience.io with Imperial College London and the Institute for Integrated Economic Research.

**Objectives 2016 - 2017**

Our objectives for 2016-2017 are:

- to develop demonstrator regions globally that will adopt our open-source tools to advance integrated decision making, collaboration and financing to achieve more resilient, climate compatible development pathways
- to identify and attract major sponsorship to fund the work of the Trust and implement our strategic aims
- to further develop, test and demonstrate our open source agent-based integrated urban-rural design model together with collaborative decision making and innovative financing approaches.

the ecological sequestration trust  
**Trustees report (incorporating a Directors report) continued**  
for the year ended 31 March 2016

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#### **Strategic aims 2016 - 2021**

The Trust is working to a five-year programme, with the following strategic objectives:

- **To establish selected city-region demonstrators around the world – in China, Africa and Europe.** For each of these, to develop a portfolio of technology integration and infrastructure projects involving global and local partners.
- **To further develop an Integrated Urban-Rural Data and Design Model** to represent actual and proposed economics and resource flows and transformations, in order to develop practical deliverable scenarios for low carbon, resilient urban development.
- **To accelerate the adoption of attainable city and region design solutions that are ecologically and economically sustainable, by speeding up large-scale deployment of integrated new technologies** via our technology selection and assessment programme.
- **To create a transferable capacity building and knowledge sharing programme,** disseminating the modelling tools, expertise and learning as open-source resources worldwide, using the demonstrators as global exemplars to influence national and global policy and practice.

#### **Structure, governance and management**

##### **Governing document and constitution**

The Ecological Sequestration Trust is a charitable company limited by guarantee No. 07611969, incorporated under and governed by its Memorandum and Articles of Association. The Ecological Sequestration Trust was registered with the Charity Commission as a charity in England and Wales on 21 April 2011, No. 1143397. The administrative details of the charitable company are detailed on page 3 for the year ended 31 March 2016.

##### **Objects**

The objects of the Charity, as set out in the Articles of Association, are:

the conservation of the natural environment for the public benefit by promoting the reduction of greenhouse gases, particularly (without limitation) by developing and advancing carbon sequestration methods to reduce carbon dioxide levels in the atmosphere; and

to promote and carry out for the public benefit research into climate change and methods to reduce climate change, and to publish and widely disseminate the results of such research.

##### **Public benefit**

The Trustees have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities. In particular, the planned activities will have a direct and positive benefit for individuals, communities and economies through the improved utilisation of scarce resources and resulting reduction in damage to the natural environment.

##### **Recruitment and appointment of Trustees**

The Trustees are listed on page 8 and 9 and constitute the Board that manages the company. Trustees are recruited according to a range of skills and experience required to ensure the organisation's objectives are achieved. The minimum number of Board members is two. One third of trustees must retire at each annual general meeting, but are all eligible for re-election. Normally, Trustees may serve a maximum of three years at which point they must take a break from office. This rule may be disapplied by a unanimous resolution of the Trustees.

# the ecological sequestration trust

## Trustees report (incorporating a Directors report) continued

for the year ended 31 March 2016

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### **Induction and training of Trustees**

Newly appointed Trustees are provided with an information pack detailing the Charity's work, its partnerships and its current policies. A programme of meetings is set up for new Trustees with the Chair and key members of staff.

### **Organisational structure and decision making**

The Board is responsible for the policy and strategy of The Ecological Sequestration Trust, ensuring the long term sustainability of the organisation along with its financial and legal probity. It is also responsible for the appointment of Trustees. The Executive Management Team is responsible for implementing policies and strategies that have been approved by the Board, and for progressing organisational objectives.

The Board aims to meet quarterly and receives financial and operational reports from the Executive Management Team.

### **Risk management**

The Board and Executive Management Team continually examine the principal areas of the Charity's operations and it regularly considers the major risks that may arise in each of these areas. Under normal conditions, the established resources and systems should allow the risks identified to be mitigated to an acceptable level in day-to-day operations. In view of the difficult economic climate, and in recognition of the early start-up period of the Trust, the monitoring of financial risk has been an area of continued focus in the year of review. The Executive Management Team has been monitoring carefully the financial outcome of initiatives undertaken during the year. It has done this in the knowledge that reserve funds need to increase in line with the Charity's reserves policy. This is an area that will continue to be monitored carefully in light of future plans.

The Trustees (who are also the Directors for Company law) are:

#### **John Elkington**

John Elkington is a world authority on corporate responsibility and sustainable development. In 2008, The Evening Standard named John among the 1,000 Most Influential People in London, describing him as "a true green business guru," and as "an evangelist for corporate social and environmental responsibility long before it was fashionable".

In July 2008 he was awarded an honorary doctorate in engineering at Bristol University, where he is a visiting Professor in Sustainable Systems Engineering.

John is founding Partner & Executive Chairman of Volans – a future-focused business working at the intersection of the sustainability, innovation and entrepreneurship movements.

John is a Visiting Professor at the Doughty Centre for Corporate Responsibility at the Cranfield School of Management and is a member of a number of strategic advisory boards.



the ecological sequestration trust  
**Trustees report (incorporating a Directors report) continued**  
for the year ended 31 March 2016

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**Prof. Nilay Shah**

Professor Nilay Shah is Director of the Centre for Process Systems Engineering at Imperial College London, Co-Director of the Porter Institute for Bioenergy, and leader of the Zero-Carbon Production Systems theme of Climate-KIC. He has co-authored over 100 technical papers on energy systems modelling and engineering, bio-energy systems, hydrogen infrastructures, supply chain modelling, process optimisation, biochemical process design, and plant safety. He has developed an optimisation-based design methodology for a variety of energy systems with strong spatial and temporal aspects.

Nilay has received a number of awards including the IChemE Junior Moulton Medal (1996), an RAEng/ICI Engineering Fellowship (1997-2001), the Royal Society of Chemistry Bellby Medal and Prize (2005), the Imperial College Rector's Award for Research Excellence (2006), RAEng MacRobert Award (2007) and Imperial College Engineering Teaching Excellence Award (2009).

**Financial review**

**Total Income**

Total income for the period amounted to £791,123 (2015: £958,694).

**Total expenditure**

Total expenditure for the year amounted to: £1,049,998 (2015: £908,430). Of this expenditure 98% (2015: 98%) was spent on charitable activities and promoting the Charity and the remaining 2% (2015: 2%) on governance. The Charity generated a net deficit for the year of £258,874 (2015: net surplus of £50,264) which has resulted in a closing unrestricted funds balance of negative £619,571 (2015: negative £360,697).

**Reserves policy and going concern**

The Ecological Sequestration Trust aims to achieve a level of unrestricted reserves that will allow it sufficient stability to plan ahead for future ventures, whilst knowing that it can continue its operations and meet its commitments to its staff and others, in the event of an unexpected shortfall in income.

It is the Trustees' intention to ensure that, at all times, the core cost of the Executive Management Team are fully funded and that new projects are undertaken only where there is sufficient specific additional funding available to cover related costs.

The Trust currently has negative reserves which have been funded by a loan from Professor and Mrs Head, details of which is given in note 15 to the accounts. The capital and interest is repayable by agreement either in full or part subject to the Trust having sufficient funding to do so. Without the support of this loan it is doubtful that the Trust could continue operating. The trustees have confirmation from Professor and Mrs Head that they will continue to support the Trust and will not require the repayment of the loan until funding allows.

the ecological sequestration trust  
**Trustees report (incorporating a Directors report) continued**  
for the year ended 31 March 2016

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**Trustees' responsibilities**

The Trustees, who are also the directors of The Ecological Sequestration Trust for the purposes of company law, are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Board of Directors/Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Charitable Company as at the balance sheet date, and of its incoming resources and application of resources, including income and expenditure, for the financial period. In preparing these financial statements, the Board of Directors/Trustees is required to:

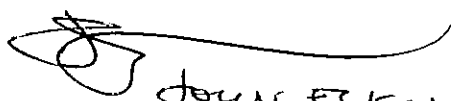
- select suitable accounting procedures and apply them consistently,
- observe the methods and principles in the Charities SORP 2015 (FSRS102),
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed subject to any material departures disclosed and fully explained in the financial statements, and
- prepare the financial statements on the 'going concern' basis unless it is inappropriate to presume that the charity will continue in operation.

The Board of Directors/Trustees is responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company, and enable them to ensure the financial statements comply with the Companies Act 2006. The Board of Directors/Trustees is also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps to prevent fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant information of which the charitable company's ~~examiner~~ is unaware; and,
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the ~~examiner~~ is aware of that information.

This report was approved by the Board of Trustees and signed on their behalf by:

  
JOHN EUKINATOU

Company Director/Trustee

Date: 21-12-2016

the ecological sequestration trust  
**Statement of financial activities (incorporating an income and  
expenditure account)**  
for the year ended 31 March 2016

	Notes	2016 Unrestricted funds £	2016 Total funds £	2015 Total Funds £
<b>Income from</b>				
Donations		250	250	-
Charitable activities	3	779,305	779,305	874,382
Other trading activities	4	11,568	11,568	84,312
<b>Total</b>		<b>791,123</b>	<b>791,123</b>	<b>958,694</b>
<b>Expenditure on</b>				
Charitable activities	5	1,049,997	1,049,997	908,430
<b>Total</b>		<b>1,049,997</b>	<b>1,049,997</b>	<b>908,430</b>
<b>Net movement in funds, being net Income/ (expenditure) for the year</b>		<b>(258,874)</b>	<b>(258,874)</b>	<b>50,264</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		(360,697)	(360,697)	(410,961)
<b>Total funds carried forward</b>		<b>(619,571)</b>	<b>(619,571)</b>	<b>(360,697)</b>

The notes on pages 14 to 20 form an integral part of these accounts.

All activities relate to continuing operations.

the ecological sequestration trust

**Balance sheet**

as at 31 March 2016

Company No. 07611969

	Notes	2016 £	2015 £
<b>Fixed assets</b>	9	757	1,513
<b>Current assets</b>			
Investments	10	1	-
Debtors	11	160,122	168,025
Cash in bank and in hand		6,153	51,858
		166,276	219,883
<b>Creditors: amounts falling due within 1 year</b>			
Trade and other payables	12	(786,604)	(582,093)
<b>Net current liabilities</b>		(620,329)	(362,210)
<b>Total assets less current liabilities</b>		(619,571)	(360,697)
<b>Net liabilities</b>		(619,571)	(360,697)
<b>Total assets</b>			
<b>Funds</b>			
Unrestricted funds		(619,571)	(360,697)
<b>Total funds</b>		(619,571)	(360,697)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

For the year ending 31 March 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

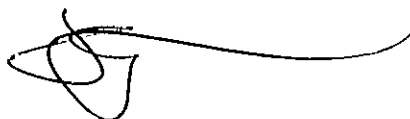
Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to account records and the preparation of accounts.

The financial statements were approved and authorised for issue by the Board on 21 - 12 - 2016

Signed on behalf of the board of directors

Company Director/Trustee



The notes on pages 14 to 20 form and integral part of these accounts.

The Ecological Sequestration Trust  
**Statement of cash flows**  
for the year ended 31 March 2016

	Note	2016 £	2015 £
Cash flow from operating activities	13	(32,358)	(8,803)
<b>Net cash flow from operating activities</b>		<u>(32,358)</u>	<u>(8,803)</u>
<b>Cash flow from investing activities</b>			
Payments to acquire tangible fixed assets		-	(2,270)
<b>Net cash flow from Investing activities</b>		<u>-</u>	<u>(2,270)</u>
<b>Cash flow from financing activities</b>			
Interest paid		(13,347)	(13,571)
		<u>(13,347)</u>	<u>(13,571)</u>
<b>Net Increase / (decrease) in cash and cash equivalents</b>		(45,705)	(24,644)
<b>Cash and cash equivalents at the start of period</b>		51,858	76,502
<b>Cash and cash equivalents at the end of period</b>		<u>6,153</u>	<u>51,858</u>

# The Ecological Sequestration Trust

## Notes to the financial statements

for the year ended 31 March 2016

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### 1. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

#### 1.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Ecological Sequestration Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Charity has adopted FRS 102 for the first time when preparing these financial statements. The transition date to FRS 102 was 1 April 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 March 2015. There have been no changes to the reported financial position and financial performance of the Charity as a result in the transition.

#### 1.2 Preparation of accounts on a going concern basis

The trustees have confirmation from Professor and Mrs Head that they will continue to support the Trust and will not require the repayment of the loan until funding allows. The trustees are of the view that this ongoing support by Professor and Mrs Head as well as prospective funding sources have secured the immediate future of the Trust for the next 12 to 18 months and that on this basis the assessment of the trustees is that the charity is a going concern.

#### 1.3 Income recognition

Income from charitable activities comprises mainly grant funding received to enable the Trust to achieve its objectives and aims.

Income is recognised over the period that the service is provided

Voluntary income: Patron and donor income is recognised when the income is received.

Grants received for specific purposes are allocated against the expenditure to which they relate within restricted funds.

Investment income: Investment income is recognised when the income is receivable.

#### 1.4 Foreign currencies

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in the net income or expenditure for the year.

#### 1.5 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

# The Ecological Sequestration Trust

## Notes to the financial statements

for the year ended 31 March 2016

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### 1.6 Grants payable

Grants payable represent amounts awarded by the charity during the year for charitable purposes. Grants payable are shown under creditors in the balance sheet and represent the full liability to pay grants to recipients over the full duration of their research projects. The grants are recognised as being payable once the recipient has met the conditions for receipt and the grant has been minuted at the trustees' meeting.

### 1.7 Fixed assets and depreciation

Assets are included at cost and are capitalised where the cost exceeds £1,000. Depreciation is provided on all tangible fixed assets in use at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Computer equipment - straight line over 3 years

### 1.8 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Charitable expenditure includes all expenditure directly relating to the objects of the Charitable Company, primarily sub-grant expenditure, and is allocated on an actual cost basis. Governance costs are those costs incurred for the compliance with constitutional and statutory requirements, and are allocated on an actual cost basis.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance and governance costs which support the Trusts activities. The bases on which support costs have been allocated are set out in note 5.

### 1.9 Investments

Investments held as fixed assets are shown at cost less provision for impairment

### 1.10 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid, net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

### 1.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### 1.12 Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### 1.13 Financial instruments

Financial assets and liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting

The Ecological Sequestration Trust  
**Notes to the financial statements**  
for the year ended 31 March 2016

from a pass event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

**1.14 Unrestricted Funds**

Unrestricted funds are funds available for use in accordance with the charitable objectives.

**2. Critical accounting estimates and areas of judgement**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical accounting estimates to declare.

**3. Income from charitable activities**

	Unrestricted funds 2016 £	2016 Total £	2015 Total £
Grant funding	779,305	779,305	874,382
<b>Total</b>	<b>779,305</b>	<b>779,305</b>	<b>874,382</b>

In 2015, of the total income from charitable activities, £874,382 was allocated to unrestricted funds and £NIL was to restricted funds.

**4. Income from other trading activities**

	Unrestricted funds 2016 £	2016 Total £	2015 Total £
Consultancy income	11,325	11,325	74,653
Speaker fees	200	200	2,550
Reimbursed expenses	43	43	7,109
<b>Total</b>	<b>11,568</b>	<b>11,568</b>	<b>84,312</b>

In 2015, of the total income from other trading activities, £84,312 was allocated to unrestricted funds and £NIL was to restricted funds.



The Ecological Sequestration Trust  
**Notes to the financial statements**  
for the year ended 31 March 2016

5. Resources expended

	2016 Direct costs £	2016 Support costs £	2016 Total £
Employment costs	104,656	-	104,656
Consultancy costs	262,432	12,000	274,432
Legal fees	-	-	-
Insurances	-	2,103	2,103
Marketing and website	1,200	-	1,200
Travel and subsistence	2,588	-	2,588
Printing and stationery	1,584	366	1,950
Computer expenses	-	4,248	4,248
Other office costs	751	3,600	4,351
Loan Interest	-	12,753	12,753
Depreciation	-	756	756
Sub grants (note 5)	640,960	-	631,245
<b>Total</b>	<b>1,014,171</b>	<b>35,826</b>	<b>1,049,997</b>

	2015 Direct costs £	2015 Support costs £	2015 Total £
Employment costs	76,741	-	76,741
Consultancy costs	288,354	8,000	296,354
Legal fees	-	125	125
Insurances	-	4,746	4,746
Marketing and website	8,976	-	8,976
Travel and subsistence	69,505	-	69,505
Printing and stationery	861	840	1,701
Computer expenses	-	2,014	2,014
Other office costs	3,249	6,750	9,999
Loan Interest	-	12,998	12,998
Depreciation	-	757	757
Sub grants (note 5)	424,514	-	424,514
<b>Total</b>	<b>872,200</b>	<b>36,230</b>	<b>908,430</b>

In 2016, of the total expenditure, £1,049,997 (2015: £908,430) was from unrestricted funds and £NIL (2015: £NIL) was from restricted funds.

The Ecological Sequestration Trust  
**Notes to the financial statements**  
for the year ended 31 March 2016

6. Grants paid

	Unrestricted funds 2016 £	2016 Total £	2015 Total £
<b>Grants paid to Institutions</b>			
Imperial College London	283,230	283,230	54,131
Institute for Integrated Economic Research	348,015	348,015	370,383
<b>Grants paid to Individuals</b>			
	9,715	9,715	-
<b>Total</b>	<b>640,960</b>	<b>640,960</b>	<b>424,514</b>

In 2015, of the total grants payable, £424,514 was from unrestricted funds and £NIL was from restricted funds.

7. Net incoming resources/(resources expended)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets – owned by the Trust	756	757
Independent examination fee	2,500	2,500
Interest	13,347	26,345

8. Staff costs

	2016 £	2015 £
Salaries	95,523	70,077
Social security costs	9,133	6,664
<b>Total</b>	<b>104,656</b>	<b>76,741</b>
<u>Full time equivalent employees</u>	<u>2</u>	<u>2</u>

No employee has employee benefits in excess of £60,000 (2015: £NIL).

The key management personnel of the Trust comprise the Trustees and members of the senior management. The total employee benefits of the key management personnel of the Trust were £46,750 (2015: £42,577).

The Ecological Sequestration Trust  
**Notes to the financial statements**  
for the year ended 31 March 2016

9. Property, plant and equipment

Computer equipment	2016 £
<b>Cost</b>	
At 1 April 2015	2,270
Additions	-
Disposals	-
At 31 March 2016	2,270
<b>Accumulated depreciation</b>	
At 1 April 2015	757
Disposals	-
Charge for the year	756
At 31 March 2016	1,513
<b>Net book value</b>	
At 1 April 2015	757
At 31 March 2016	1,513

10. Fixed asset Investments

	2016 £
<b>Cost</b>	
At 1 April 2015	-
Additions	1
Disposals	-
At 31 March 2016	1
<b>Net book value</b>	
At 1 April 2015	-
At 31 March 2016	1

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
The Ecological Sequestration Trust (Trading) Limited	Ordinary	100%

The Ecological Sequestration Trust (Trading) Limited was incorporated on 20 April 2015 and was dormant throughout the period to 31 March 2016.

11. Debtors

	2016 £	2015 £
Prepayments and accrued income	160,122	165,541
Other debtors	-	2,484
<b>Total</b>	<b>160,122</b>	<b>168,025</b>

The Ecological Sequestration Trust  
**Notes to the financial statements**  
for the year ended 31 March 2016

**12. Creditors: amounts falling due within 1 year**

	2016	2015
	£	£
Bank loans and overdrafts	17	-
Trade creditors	75,424	51,425
Amounts owed to group undertakings	1	-
Accruals and deferred income	203,311	113,114
Taxation and social security	1,366	3,823
Other creditors (note 15)	506,485	413,731
<b>Total</b>	<b>786,604</b>	<b>582,093</b>

**13. Reconciliation of net income / (expenditure) to net cash flow from operating activities**

	2016	2015
	£	£
Net Income / (expenditure) for year / period	(258,874)	50,264
Interest payable	13,347	13,571
Depreciation and impairment of tangible fixed assets	756	757
(Increase) / decrease in debtors	7,903	(168,025)
Increase / (decrease) in creditors	204,510	94,630
<b>Net cash flow from operating activities</b>	<b>(32,358)</b>	<b>(8,803)</b>

**14. Trustee remuneration**

No trustees received nor waived any remuneration during the year (2015: £NIL).  
No trustees received any reimbursement for expenses incurred during the year (2015: £NIL).

**15. Related party transactions**

Professor P Head is the chairman of the Trust. During the year Professor P Head and Mrs S Head loaned a further £80,000 (2015: £40,000 repaid) to the Charity. Interest on the total loan balance is accrued at a rate of 2.5% above the Bank of England base rate and is payable with the capital. The Trust's articles confirm this transaction allowable, on the basis of the interest charged being at a reasonable and proper rate, on money lent to the Trust.

During the year interest of £12,753 was accrued (2015: £12,998).

The capital and interest is repayable by agreement either in full or part subject to the Trust having sufficient funding to do so.

The total loan amount outstanding from Mr and Mrs Head at the year end is £506,485 (2015: £413,731).